

Testimony in Support of HB 5002
Wednesday October 19, 2011

My name is Patrick Harrington and for the record, I am not the registered lobbyist of the same name, although I was in this town first. I have grown up in the trade association business since hiring into it in 1974 and have held my current position since 1987.

I serve on the WCA Director's Health Care Rate/Rule Advisory Committee & WCA Director's Advisory Committee. I have been actively involved in these committees during the current and former Director's tenures.

By profession I serve the role identified in the Workers' Compensation Act as a Workers' Compensation Group Self-Insured Fund Plan Administrator. The group fund I represent is Michigan Retail Hardware Association Group Self-Insurance Fund. This fund has a 30 year track record of taking care of the needs of injured workers and is proud to have zero open claims over 4 years old and zero claims open on the question of whether an injury is compensable or what the appropriate disability benefits to be paid will be.

With over 500 small business locations represented in our workers' compensation program, we estimate there are 5,000 covered employees. What we specialize in is a competitive up front premium pricing, claim servicing that is in the interest of workers, and a net cost that is around 40% lower than the "street-rates" of commercial carriers. Other group self-insured funds in Michigan have other results – I serve on the Board of MI Council of Self-Insured Group Administrators and am supportive of their submitted testimony as previously entered into the record by Tim Hanna, in his role as President and Plan Administrator of 5 group funds.

Our group self-insurance fund is in support of the passing of reforms to the Workers' Compensation Act and is endorsed by The Michigan Retail Hardware Association and The Michigan Lumber and Building Materials Association. All three of these small business organizations are in support of reform.

The greatest hurdle and concerns in managing our program is the instability of the interpretations of wage loss & the rising cost of medical procedures. We have a reinsurance contract to purchase annually and Michigan's current law is not conducive to our being able to obtain the favorable pricing other states enjoy. Michigan is perceived as "blowing with the wind" as determination of claim reserve values are dependent on conflicting interpretations through our supreme court's shifting makeup & language buried in multiple layers that lend itself toward litigation instead of simple resolution on behalf of an injured worker.

Your passage through committee, to foster further debate of all involved parties is strongly encouraged. We look forward to the day when our state can become updated in the areas of benefit determination, timely and electronic payment options to workers of benefits due & implementation of medical guidelines for treatment that utilize acceptable standards.

Thank You – Sincerely,



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